

WILDFIRES

It's a perfect firestorm for home insurance, U.S. homeowners

BY DAVE MARSTON

WRITERS ON THE RANGE

Westerners have begun looking at their homes differently these days. Are those trees too close? Should I move all that firewood stacked up next to the deck?

Meanwhile, in California, some fire insurers have lost so much money they've pulled out of the state. Overall, fire insurance is becoming as expensive and unpredictable as the natural disasters — not just wildfires but also hail and windstorms — that are driving up rate increases. In some places, increases are as much as 1,000% for houses and condos nestled close to trees.

In Colorado, Tiffany Lockwood said she was dropped twice by fire insurance carriers over the 10 years she's lived in Evergreen, a heavily forested exurb of Denver.

A former Florida resident, Lockwood, 59, only has one way out in case of a wildfire — and even then she'll have little warning. "When I lived in Florida," she said, "we knew four days ahead when a hurricane was coming. Here we get 40 minutes."

Lockwood thinks insurance companies are running scared and giving impossible directives. One insurer asked her to remove all the shrubs and trees within 30 feet of the house. But the plan meant taking down a lot of her neighbor's trees, too.

Evergreen's attraction is that residents live amidst towering conifer trees. But red zones on fire maps are being expanded all over Colorado after several recent large forest fires and the wind-driven Marshall fire outside of Boulder, in December 2021. It destroyed more than 1,000 suburban homes and was the state's most expensive fire yet. Formerly "safe" places are now described as at-risk.

Jeff Geslin lives in high and dry La Plata County, in southwestern Colorado, surrounded by 35 acres of piñon and juniper trees. He and his wife Lorna are used to remediation plans, he said, and when their insurance increases, "I just pay it, no questions asked."

But they were shocked when their condo association in Summit County, governing their second home, lost its insurance policy.

"It might be because we're close to Forest Service land," Geslin said, "which must be more risk." Every condo owner was assessed \$6,772 extra for the new policy the Homeowners Association managed to find — an increase of 1,000%.

Colorado State Sen. Dylan Roberts is working on legislation to insure larger structures. "I've gotten calls about insurance for the last year if not two years," he said.

"The single-family upset has quieted down, but the big thing I hear about is HOA and condo buildings."

The state already has what is called the Fair Access to Insurance Requirements (FAIR) Plan in place for smaller buildings when insurance companies refuse to underwrite traditional coverage. It's backed by private insurers and administered by an appointed board of insurance professionals. ✕

"We hope to insure no one," said FAIR Plan board member Carole Walker. She's the executive director of an insurance trade group covering, New Mexico, Colorado, Wyoming and Utah.

"This is insurance of last resort," she said, "as we don't want to compete with private insurers. They're struggling after 10 straight years of unprofitability in property insurance."

The FAIR Plan board, which plans to sell policies late next year, hired industry veteran Kelly Campbell as executive director this May. It will offer bare-bones coverage with high deductibles and low maximum amounts. The plan would offer coverage of \$5 million per commercial structure and \$750,000 per house.

"Everything has escalated," said Walker. "Colorado is in that perfect storm of catastrophes. The number of claims and the cost to pay those claims is at a record pace. Add in the escalating number of events like hail and wildfire, and it's the hardest insurance market in a generation."

Walker says Colorado established a resiliency code board via state law in 2023, with a mandate of hardening structures with fire-resistant siding, metal roofs and landscaping. "We need confidence back in the marketplace," she said about the board. "Ultimately, this is a life-safety issue because wildfire knows no boundaries. You're dependent on your neighbor."

Kevin Parks, a State Farm insurer in western Colorado, has some advice for Western homeowners: "Widen your driveway and road to 20 feet, install a turnaround big enough for fire vehicles, remove shrubs and trees close to your house, and add a perimeter of gravel all around your structure. Finally, hope you live where two roads lead to your house."

In this new age of longer and meaner fire seasons, Parks added, "The fire is coming — now it's a question of being ready."

Dave Marston is the publisher of Writers on the Range, writersontherange.org, an independent nonprofit dedicated to spurring lively conversation about the West.